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UNITED STATES DEPARTMENT OF AGRICULTURE
COMMODITY STABILIZATION SERVICE

October 1958

COTTON FACTS FOR COMMITTEEMEN 1/

1959

Since the Agricultural Act of 1958 (approved August 28, 1958) provides for important changes in the acreage allotment and price support programs available for the 1959 upland cotton crop -- if growers approve marketing quotas in the referendum -- questions and answers relating to the new provisions are entered ahead of those relating to continuing basic programs and facts.

1. What is the new choice program under which producers may increase their regular allotments in 1959 by as much as 40 percent?

The Agricultural Act of 1958 authorizes the Secretary, and he has taken the necessary action to provide that, if marketing quotas are in effect, each farm operator who has an upland cotton acreage allotment in 1959 will have the following choice between two programs -- Choice A and Choice B. (If marketing quotas are not approved in the referendum, this optional choice plan will not be in effect.):

(A) He may elect to grow his crop in compliance with his regular upland cotton acreage allotment, in which case he will be eligible for the full level of price support available for the crop (not less than 80 percent of parity for 1959); or

(B) He may increase his upland cotton acreage as much as 40 percent over his regular farm allotment and be eligible for price support at a level which is 15 percent of parity less than the level available under Choice (A) above.

2. Will a producer be authorized to elect Choice (A) for one farm and Choice (B) for another farm?

No. If a person operates more than one farm with an upland cotton acreage allotment, he must elect the same choice for all his farms. It is to be noted that this restriction applies only to farm operators.

1/ Provided for State, county, and local leaders in the administration of the 1959 cotton acreage allotment and marketing quota program.

3. When will a farmer be notified of the acreage allotment under Choice (A) and Choice (B) for his farm and the price support per pound for each choice?

Each farm operator will be notified on Form MQ-24 CN of the Choice (A) and Choice (B) farm allotments applicable to his farm before the marketing quota referendum on December 15, 1958. If quotas are approved, the level of price support for the crop will be determined about January 31, 1959, and soon thereafter each farm operator will be notified on Form MQ-24 CN(A) of the price support available for cotton on Choice (A) farms and Choice (B) farms.

4. How long will a producer have to determine whether he will elect Choice (A) or Choice (B)?

The notice on Form MQ-24 CN(A) will state that the farm operator must register his choice at the ASC county office by not later than March 16, 1959. It is expected that each farm operator will be requested to elect a choice whether it be Choice (A) or Choice (B). However, if an operator finally does not make a choice by the closing date he will be regarded as having elected Choice (A).

5. Will the additional acreage in cotton on the farm under Choice (B) result in increased future allotments?

No. The law provides that such acreage shall not be considered as cotton acreage history in establishing future acreage allotments for the farm, county, or State.

6. What is the basis for the proclamation by the Secretary of Agriculture on September 29, 1958 of a national marketing quota and national acreage allotment for the 1959 crop of upland cotton and a similar proclamation on October 13, 1958 for the 1959 crop of extra long staple cotton?

The Agricultural Adjustment Act of 1938, as amended, requires that the Secretary issue such proclamations, not later than October 15, 1958, if he finds that the total supply of cotton for the marketing year beginning August 1, 1958, will exceed the normal supply for such year. In the case of extra long staple cotton the proclamation is required when the total supply exceeds the normal supply by more than 8%. The Act defines total supply and normal supply and their component parts and provides a formula for determining the amount of the national marketing quota and national acreage allotment. The Secretary's findings with respect to total supply, normal supply, and the amounts of the national quota and allotment are shown in Table 2 of this pamphlet for both kinds of cotton.

7. What is the procedure for placing cotton marketing quotas and acreage allotments into effect?

Using the latest available statistics of the Federal Government, the Secretary's findings and determinations with respect to total supply and normal supply were included in the proclamation. As required by the Act, the national marketing quota for upland and extra long staple cotton were converted to national acreage allotments and announcement was made that separate national referendums on the two types of cotton would be held on December 15, 1958, for the purpose of providing 1958 eligible cotton producers an opportunity to vote, by secret ballot, for or against the quotas proclaimed. The Act also provides formulas for apportionment of the national acreage allotment to the respective States, the State allotments to counties, and the county allotments to farms.

8. What is the present or prospective carryover, production, imports, domestic consumption, exports and acreage of cotton, and how do the figures compare with other years?

The acreage of all cotton in cultivation on July 1, by States, and the supply and distribution of all cotton for representative periods of years are shown in Tables 3 and 4.

9. What generally is the supply and disappearance picture for the next year or two for all cotton?

The carryover of all cotton was 8.4 million bales on August 1, 1958, as shown in Table 2. If exports for the 1958-59 marketing year reach 4.5 million bales, as currently estimated, the carryover on August 1, 1959, would be about 8.1 million bales. On this basis, if production in 1959-60 equals the national marketing quota, and disappearance and imports for 1959-60 are the same as estimated in the Secretary's proclamation, then the carryover of all cotton on August 1, 1960, would be about 7.7 million bales.

10. How is the Agricultural Trade Development and Assistance Act of 1954, as amended, designed to increase disposal of our surplus agricultural commodities in foreign countries?

The Act, as amended by the last Congress, provides for the disposal of an additional $2\frac{1}{4}$ billion dollars worth of surplus agricultural commodities including cotton, by December 31, 1959. These agricultural commodities are sold for foreign currencies instead of American dollars which are placed on deposit in the foreign countries to the credit of the United States. This credit is then used by the United States (as mutually agreed to between the countries) for various purposes such

as defense spending, purchase of strategic materials, development of better markets and for other specified purposes. From the beginning of the program through September 1958, agreements have been entered into for the disposal of about 522 million dollars worth of cotton approximating 3.1 million bales.

11. What is the purpose of the Cotton Export Program?

This program was initiated in 1956 in order to reduce the accumulated surplus of United States cotton, which was at a record high at the beginning of that marketing year, and to reestablish and maintain the fair historical share of the world market for U. S. cotton. Under this program, CCC's stocks of cotton are being offered for export sale on a competitive bid basis. Through October 15, 1958, approximately 1.1 million bales of cotton have been sold under the current export program. August 1, 1959, is the final date for exporting cotton against such sales. This program is supplemented by a payment-in-kind export program under which exporters receive subsidy payments in cotton. Through October 15, 1958, registrations were about 200,000 bales.

12. What is the purpose of the Cotton Products Export Program?

This program was initiated in 1956 in order to equalize the price of cotton for export in the form of products with the price of cotton being sold under the export program. It is carried out by making equalization payments to the exporters of cotton products. The payments reflect the difference between the export price of cotton and the domestic market price of cotton on the raw cotton content of the cotton products exported.

13. Are cotton yields per acre continuing to increase?

The upward trend in yields per harvested acre is continuing on a national basis and for all major producing areas as shown in Table 5. The estimated 1958 national harvested yield (October Crop Report) of 469 pounds is above the highest yield in history. This compares with 388 pounds in 1957. For comparative purposes the 10-year average yield 1947 to 1956 is only 317 pounds. The indicated yield for all States is higher in 1958 than the yields in 1957 but much higher indicated yields in Georgia, Missouri, New Mexico, North Carolina, South Carolina, Tennessee and Texas account for most of the increased national yield in 1958 as compared with 1957.

14. What has caused the substantial increase in cotton yields?

In addition to proportionately larger acreage in the higher-yielding area, much of which is under total or supplemental irrigation, one of the most noticeable causes is the increase in the proportion of cotton acres receiving commercial fertilizer as well as the higher average rate per

acre fertilized. Other causes are more effective insect and disease control through timely use of improved materials and methods of application; increased plantings of higher-yielding adapted varieties; improvement of cultural methods including conservation and greater efficiency through mechanization; and more careful selection of acreage adapted to cotton.

15. Why is the total of 16,310,000 acres available for allotment in 1959 lower than the total of 17,554,528 acres available for allotment in 1958?

The Agricultural Act of 1956 provided, in effect, that the national acreage allotment for 1957 and 1958 would be not less than the allotment for 1956. It also provided that if the acreage allotment for any State for 1957 or 1958 was less than its apportionment from the national allotment for the preceding year by more than 1 percent, such State allotment would be increased so that the reduction would not exceed 1 percent per annum and that the acreage required for such increases would be in addition to the national acreage allotment for such year. The Act also established a national reserve for establishing minimum farm allotments, consisting of 100,000 acres, which was in addition to the national acreage allotment. (The minimum farm allotment in 1958 was the smaller of 4 acres or the highest planted cotton acreage in 1955, 1956, or 1957.) These provisions resulted in a total of 17,554,528 acres available for allotment in 1958.

The Agricultural Act of 1958 set a minimum national acreage allotment of 16 million acres effective with the 1959 crop. The Secretary has proclaimed such minimum as the national allotment for the 1959 crop. In addition to such national allotment a national acreage reserve of 310,000 acres is provided by the Act of 1958 for apportionment to States and counties to establish minimum farm allotments. These provisions result in a total of 16,310,000 acres available for allotment in 1959. However, to the extent that farm operators elect Choice (B) for 1959, the total acreage allotted to farms will exceed 16,310,000 acres. The minimum farm allotment for "old" cotton farms for 1959 is the smaller of 10 acres or the farm's allotment for 1958.

Table 6 shows the acreage allotted to each State for 1959 under the above provisions.

Table 1. State Acreage Allotments for Upland and Extra Long Staple Cotton for 1958 and 1959 with 1958 Acreages for Comparison

State	Upland			Extra Long Staple		
	1959 total	1958 total	Acreage in			Acreage in
	allotment	allotment	Cultivation:	1959	1958	cultivation
	<u>1/</u>	<u>1/</u>	July 1, 1958:	allotment	allotment:	July 1, 1958
Alabama	985,191	1,035,463	550,000			
Arizona	330,835	367,572	358,000	29,908	35,050	34,000
Arkansas	1,339,171	1,411,984	1,050,000			
California	733,618	812,487	748,400	425	603	600
Florida	37,380	38,662	18,400	635	1,020	<u>2/</u>
Georgia	850,600	905,387	406,000	116	124	<u>2/</u>
Illinois	3,143	3,171	2,400			
Kansas	26	24	--			
Kentucky	7,552	7,775	5,700			
Louisiana	578,579	609,922	388,000			
Maryland	15	15	--			
Mississippi	1,570,967	1,660,110	1,185,000			
Missouri	357,796	377,819	308,000			
Nevada	3,343	3,343	3,200			
New Mexico	171,380	184,247	168,200	14,003	16,194	15,800
North Carolina	470,315	494,083	275,000			
Oklahoma	752,784	827,162	442,000			
South Carolina	698,238	739,957	363,000			
Tennessee	554,635	582,523	420,000			
Texas	6,846,757	7,474,661	5,621,800	24,196	27,829	28,200
Virginia	17,675	18,161	10,500			
Puerto Rico				1,539	2,466	<u>2/</u>
United States	16,310,000	17,554,528	12,323,600	70,822	83,286	78,600 <u>3/</u>

1/ Includes national minimum farm reserve of 310,000 acres in 1959 and 100,000 acres in 1958. Also includes for 1958 63,224 acres by application of 99% provision.

2/ Not available.

3/ Includes American Egyptian only. (Data taken from July Crop Report)

Prepared in Production Programs Branch,
Cotton Division, CSS, October 1958

Table 2. Cotton - Total Supply and Normal Supply Determinations, 1958-59 Marketing Year, used by the Secretary for Proclamations of 1959 National Marketing Quotas and Acreage Allotments, Upland and Extra Long Staple Cotton

	: Upland	: Extra Long
	: Cotton	: Staple
	: Cotton	: Cotton
	: (Running Bales) <u>1/</u>	
Total Supply	:	:
Carryover <u>2/</u>	: 8,405,000	: 78,000
Production <u>3/</u>	: 11,904,000	: 77,300
Imports	: 60,000	: 85,600
Total	: 20,369,000	: 240,900
	:	:
<u>Normal Supply</u>	:	:
Domestic consumption	: 7,800,000	: 120,000
Exports	: 4,500,000	: 45,000
Subtotal	: 12,300,000	: 165,000
Reserve for carryover (30%)	: 3,690,000	: 49,500
Total	: 15,990,000	: 214,500
	:	:
Excess, total supply over normal supply:	:	:
Bales	: 4,379,000	: 26,400
Percent	: 27.4	: 12.3
	:	:
1959 National Marketing Quota <u>1/</u>	: 12,167,000	: 73,989
	: (Acres)	: (Acres)
	:	:
1959 National Acreage Allotment	: 16,000,000	: 70,822

1/ Running bales except imports and national quotas which are in 500-lb. gross weight bales.

2/ Excludes stockpile and current crop ginnings prior to August 1.

3/ September crop report for upland, October for ELS.

Except for certain minimum State allotments for upland cotton the national acreage allotments are apportioned to the respective States on the basis of the acreages planted to cotton in the years 1953, 1954, 1955, 1956, and 1957, with adjustments for abnormal weather conditions during such period.

Prepared in Production Programs Branch,
Cotton Division, CSS, October 1958.

Table 3. All Cotton - Acreage in Cultivation on July 1, by States, 1945-1958

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958 ^{1/}
	Thousands of Acres													
Alabama	1,390	1,545	1,505	1,637	1,905	1,327	1,499	1,591	1,630	1,180	1,060	1,001	744	550
Arizona	154	145	226	282	386	280	576	678	693	430	368	372	366	392
Arkansas	1,554	1,729	2,085	2,335	2,668	1,728	2,211	1,956	2,112	1,721	1,481	1,405	1,170	1,050
Calif.	319	359	536	810	931	586	1,315	1,393	1,348	896	764	772	726	749
Florida	25	23	32	30	47	32	63	61	72	36.7	34.1	34.4	20.7	18.4
Georgia	1,260	1,217	1,282	1,295	1,577	1,054	1,424	1,470	1,382	1,039	907	854	578	406
Illinois	3.9	3.7	3.9	4.6	5.1	3.3	3.9	2.4	2.4	3.2	2.9	3.0	2.4	2.4
Kansas	.3	.3	.1	.1	.1	.1	2/	2/	2/	2/	2/	2/	2/	2/
Kentucky	12.2	11.1	12.3	13.1	15.3	10.5	13.1	10.3	10.4	9.8	8.0	7.4	6.4	5.7
Louisiana	764	729	777	896	974	739	949	899	967	698	626	586	461	388
Maryland	--	--	--	--	--	--	--	2/	2/	2/	2/	2/	2/	2/
Mississippi	2,286	2,349	2,379	2,583	2,844	2,084	2,463	2,440	2,554	2,001	1,745	1,641	1,383	1,185
Missouri	268	345	481	563	622	449	616	520	561	455	396	373	328	308
Nevada	--	--	--	--	--	--	1.3	1.8	2.3	1.9	2.3	2.3	2.3	3.2
New Mexico	117	120	169	215	313	176	313	305	323	210	189	189	190	184
No. Carolina	587	606	677	742	889	601	711	753	782	557	492	457	351	275
Oklahoma	1,179	1,074	1,155	1,069	1,344	965	1,571	1,308	1,068	976	818	802	570	442
So. Carolina	960	963	1,055	1,123	1,258	879	1,106	1,149	1,181	836	745	695	504	363
Tennessee	605	635	734	823	911	644	826	866	958	657	581	558	495	420
Texas	6,029	6,283	8,428	8,806	11,190	7,048	12,513	11,756	9,568	8,065	7,270	7,065	6,155	5,650
Virginia	19	20	23	26	33	23	21	26	30	18	17.0	15.8	12.9	10.5
United States ^{3/}	17,533	18,157	21,560	23,253	27,912	18,629	28,195	27,186	25,244	19,791	17,506	16,833	14,066	12,402

^{1/} Preliminary.

^{2/} Less than 50 acres.

^{3/} Rounded to nearest thousand acres.

From Crop Reporting Board Reports

Prepared in Production Programs Branch, Cotton Division, CSS - October 1958.

Table 4. Supply and Distribution of All Cotton in the United States, 1930 to Date

	S U P P L Y					D I S T R I B U T I O N				
	Ginnings		Net							
	Current	New	imports							
Year	crop less	crop	(total	City	Total	Net	Mill			
begin-	Carry-	ginnings	prior	less	Crop	1/	ex-	con-	De-	
ning	over	prior to	to	re-			ports	sumption	stroyed	
Aug. 1:	Aug. 1	August 1:	Aug. 1	exports)					1/	
	----- 1,000 Bales 2/-----									
1930	4,530	13,677	7	99	18,314	6,757	5,263	28	12,048	
1931	6,370	16,622	71	107	23,169	8,707	4,866	62	13,635	
1932	9,678	12,639	171	124	22,612	8,418	6,137	30	14,585	
1933	8,165	12,493	100	137	20,894	7,531	5,700	40	13,271	
1934	7,744	9,372	94	107	17,317	4,767	5,361	30	10,158	
1935	7,208	10,326	41	155	17,730	5,971	6,351	35	12,357	
1936	5,409	12,100	143	249	17,901	5,433	7,950	45	13,428	
1937	4,499	18,109	158	158	22,924	5,595	5,748	65	11,408	
1938	11,533	11,465	137	132	23,268	3,325	6,858	66	10,249	
1939	13,033	11,344	32	159	24,568	6,163	7,784	75	14,022	
1940	10,564	12,266	2	188	23,020	1,112	9,722	70	10,904	
1941	12,166	10,493	49	252	22,959	1,125	11,170	50	12,345	
1942	10,640	12,389	107	168	23,305	1,480	11,100	60	12,640	
1943	10,657	11,021	48	129	21,856	1,138	9,943	50	11,131	
1944	10,744	11,791	133	190	22,858	2,007	9,568	50	11,625	
1945	11,164	8,681	172	343	20,359	3,613	9,163	60	12,836	
1946	7,326	8,346	194	270	16,170	3,544	10,025	16	13,585	
1947	2,530	11,364	259	234	14,412	1,968	9,354	20	11,342	
1948	3,080	14,321	298	163	17,892	4,748	7,795	35	12,578	
1949	5,287	15,611	283	245	21,453	5,769	8,851	37	14,657	
1950	6,846	9,625	223	188	16,910	4,108	10,509	3/ 27	14,644	
1951	2,278	14,852	176	72	17,418	5,515	9,196	3/ 35	14,746	
1952	2,789	14,779	346	193	18,149	3,048	9,461	3/ 50	12,559	
1953	5,605	15,971	388	142	22,149	3,760	8,576	75	12,411	
1954	9,728	13,230	314	146	23,464	3,445	8,841	60	12,346	
1955	11,205	14,228	405	137	26,022	2,214	9,210	3/ --	11,424	
1956	14,529	12,746	231	136	27,644	7,593	8,608	3/ --	16,202	
1957 5/	11,323	10,650	213	141	22,385	5,708	8,010	3/ --	13,718	
1958 6/	8,745	12,000	140	140	20,935	--	--	--	12,500	

1/ Totals were made before data were rounded to thousands. 2/ Running bales except "Net imports" which is in bales of 500 pounds each. 3/ Adjusted to period August 1-July 31.

4/ Imports include but total supply excludes 48,213 bales of stockpile cotton entered for consumption under the extra-long staple import quota. 5/ Preliminary. 6/ Estimated.

NOTE: Data taken from the Cotton Situation, CS-178, September 1958.

Prepared in Production Programs Branch, Cotton Division, CSS - October 1958.

Table 5. Cotton: Yield per Acre on Harvested Acreage, United States and Regions, 1940 to Date

Year	West <u>1/</u>		Southwest <u>2/</u>		Delta <u>3/</u>		Southeast <u>4/</u>		U. S.	
	Trend		Trend		Trend		Trend		Trend	
	Actual : 5/		Actual : 5/		Actual : 5/		Actual : 5/		Actual : 5/	
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1940	616	518	189	169	289	331	280	269	252	250
1941	460	513	173	173	314	336	206	276	232	256
1942	448	518	183	167	376	330	284	275	272	253
1943	463	527	166	169	336	329	285	281	254	256
1944	497	525	187	171	393	340	359	293	299	264
1945	470	525	145	179	326	341	310	286	254	268
1946	584	559	132	182	292	341	280	286	236	272
1947	616	578	191	180	314	335	286	292	267	271
1948	567	597	176	180	421	338	351	291	311	274
1949	620	613	257	185	301	337	213	282	282	277
1950	764	657	204	195	307	345	209	281	269	286
1951	625	683	163	211	322	372	331	294	269	307
1952	629	721	164	220	366	392	277	302	280	322
1953	646	766	230	233	385	389	275	300	324	331
1954	862	814	235	245	395	413	296	319	341	354
1955	818		281		536		405		417	
1956	957		269		499		359		409	
1957	974		290		392		334		388	
1958 <u>6/</u>	1050		370		518		383		486	

1/ West includes California, Arizona, New Mexico, and Nevada.

2/ Southwest includes Texas, Oklahoma, and Kansas.

3/ Delta includes Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky.

4/ Southeast includes Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.

5/ Trend yield is 9-year centered average yield.

6/ Preliminary, Crop Reporting Board report of September 8, 1958.

Prepared in Production Programs Branch, Cotton Division, CSS.
October 1958.

Table 6. 1959 Upland Cotton Acreage Allotments
to States

	: Apportionment : to States : from national : allotment	: Apportionment : to States : from national : reserve ^{1/}	: Total allot- : ments available : for distribution : in States
Alabama	: 942,409	: 42,782	: 985,191
Arizona	: 330,311	: 524	: 330,835
Arkansas	: 1,327,945	: 11,226	: 1,339,171
California	: 730,810	: 2,808	: 733,618
Florida	: 34,489	: 2,891	: 37,380
Georgia	: 815,890	: 34,710	: 850,600
Illinois	: 3,110	: 33	: 3,143
Kansas	: 23	: 3	: 26
Kentucky	: 7,032	: 520	: 7,552
Louisiana	: 565,858	: 12,721	: 578,579
Maryland	: 15	: --	: 15
Mississippi	: 1,538,045	: 32,922	: 1,570,967
Missouri	: 355,236	: 2,560	: 357,796
Nevada	: 2,343	: 1,000	: 3,343
New Mexico	: 170,559	: 821	: 171,380
North Carolina	: 440,645	: 29,670	: 470,315
Oklahoma	: 731,780	: 21,004	: 752,784
South Carolina	: 672,910	: 25,328	: 698,238
Tennessee	: 534,912	: 19,723	: 554,635
Texas	: 6,779,673	: 67,084	: 6,846,757
Virginia	: 16,005	: 1,670	: 17,675
United States	: 16,000,000	: 310,000	: 16,310,000

^{1/} As provided by section 104(a) of the Agricultural Act of 1958.

NOTE: The law provides that no State shall receive an allotment for upland cotton for 1959 which is less than the smaller of 4,000 acres or the highest acreage planted to cotton in the State in any of the years 1956, 1957, and 1958. The remainder of the national acreage allotment of 16,000,000 acres (announced September 29, 1958) is apportioned among other States on the basis of the acreages planted to cotton in the years 1953, 1954, 1955, 1956, and 1957 with certain adjustments in such acreages as required by law.

Prepared in Production Programs Branch, Cotton Division, CSS,
October 1958.

